

# EXHIBIT 74

## REAFFIRMATION OF PLEDGE AND SECURITY AGREEMENT

This **REAFFIRMATION OF PLEDGE AND SECURITY AGREEMENT** ("Reaffirmation") dated as of April 26, 2013 made by **KENNETH A. JOWDY**, an individual ("Pledgor"), in favor of **DANSKE BANK A/S, LONDON BRANCH**, the London Branch of a company incorporated in the Kingdom of Denmark ("Lender").

### RECITALS:

A. Pledgor is the managing member of Diamante Cabo San Lucas, LLC, a Delaware limited liability company, having an address at c/o Kenneth Jowdy, 131 Deer Hill Avenue, Suite B, Danbury, CT 06810, which is a member and the majority equity owner of Diamante Cabo San Lucas S. De R.L. De CV, a Mexican limited liability company with variable capital, having an address at c/o Kenneth Jowdy, Boulevard Diamante s/n Col. Los Cangrejos, Carretera Cabo San Lucas a Todos Santos Km.6.8, Cabo San Lucas B.C.S., C.P. 23473 ("Borrower").

B. On March 10, 2006, Lehman Brothers Holdings Inc. ("Lehman") made a loan to Borrower in the original principal amount of One Hundred Twenty Five Million Dollars (\$125,000,000.00) ("Original Loan") to be used to fund certain acquisition and pre-development costs in connection with a resort project located in the City of Los Cabo, Baja California Sur, Mexico.

C. The Original Loan is evidenced and secured by loan documents dated March 10, 2006 and identified on the Schedule of Original Loan Documents attached hereto as Exhibit A and incorporated herein ("Original Loan Documents"), which Original Loan Documents include that certain Loan Agreement dated March 10, 2006 and executed by Borrower and Lehman ("Original Loan Agreement").

D. Pursuant to that certain Omnibus Assignment and Assumption dated January 13, 2009 by and between Lehman, as assignor, and Lender, as assignee, Lehman assigned to Lender, and Lender assumed from Lehman, all of Lehman's right, title and interest in the Original Loan and the Original Loan Documents.

E. Lender, Borrower and Guarantors agreed to modify certain terms and conditions of the Original Loan Documents and in connection therewith, reaffirmed, amended and/or amended and restated the Original Loan Documents pursuant to the Amended Loan Documents listed on Exhibit B (as reaffirmed, amended and/or amended and restated, "2009 Amended Loan Documents").

F. Among the several modifications made pursuant to the 2009 Amended Loan Documents, Lender, as the holder of that certain Promissory Note dated March 10, 2006 in the original principal amount of \$125,000,000.00 ("Original Note"), and Borrower, as the borrower under the Original Note, agreed to split the indebtedness evidenced by the Original Note into two (2) separate obligations of indebtedness as evidenced by:

(i) Substitute Promissory Note (Facility A) dated as of March 6, 2009 in the amount of One Hundred Nine Million One Hundred Thirty-Eight Thousand Three Hundred Twenty Seven and 83/100 Dollars (\$109,138,327.83); and

(ii) Substitute Promissory Note (Facility B) dated as of March 6, 2009 in the amount of Sixteen Million and 00/100 Dollars (\$16,000,000.00) (“**Facility B Note**”).

G. Lender, Borrower and Guarantors agreed to further modifications of certain terms and conditions of the Original Loan Documents and 2009 Amended Loan Documents, and in connection therewith reaffirmed and amended certain of the Original Loan Documents and 2009 Amended Loan Documents listed on **Exhibit C** (as reaffirmed and amended, “**2010 Amended Loan Documents**”), which amendments include, *inter alia*, increasing the principal balance available under Facility B Note from \$16,000,000 to \$20,000,000.

H. Lender, Borrower and Guarantors agreed to extend the Maturity Date of the Loan to June 29, 2012 and modify certain applicable interest rates as more particularly set forth therein in that Extension Letter Agreement dated April 2, 2012 (“**First Extension Agreement**”).

I. By that letter agreement dated June 29, 2012, by and between Lender and Obligors, Lender agreed to extend the Maturity Date of the Loan from June 29, 2012 to September 28, 2012 and provided for certain other obligations of Borrower as more particularly set forth therein (the “**Second Extension Agreement**”).

J. By that letter agreement dated September 28, 2012, by and between Lender and Obligors, Lender agreed to extend the Maturity Date of the Loan from September 28, 2012 to December 31, 2012 and provided for certain other obligations of Borrower as more particularly set forth therein (the “**Third Extension Agreement**”).

K. By that letter agreement dated December 31, 2012, Lender and Obligors agreed to extend the Maturity Date of the Loan from December 31, 2012 to March 31, 2013 and provide for certain other obligations of Borrower, all as more particularly set forth therein (“**Fourth Extension Agreement**”).

L. By that letter agreement dated February 15, 2013, Lender and Obligors agreed to advance up to \$2,000,000 under Facility B in accordance with the terms and conditions set forth in that 2013 Additional Advance Letter (“**2013 Additional Advance Agreement**”).

M. By that letter agreement dated March 29, 2013, Secured Party and Obligors agreed to extend the Maturity Date of the Loan from March 31, 2013 to April 15, 2013 and provide for certain other obligations of Pledgor, all as more particularly set forth therein. (“**Fifth Extension Agreement**”, and together with the First Extension Agreement, Second Extension Agreement, Third Extension Agreement, and Fourth Extension Agreement, the “**Extension Agreements**”).

N. Subject to the terms and conditions set forth in that Second Amended and Restated Loan Agreement of even date herewith (“**Loan Agreement**”), Lender, Borrower and

Guarantors have agreed to certain amendments, modifications and extensions, including but not limited to: (i) increasing the principal indebtedness of Facility A Note to \$123,500,000 to reflect the capitalization of all accrued interest thereon and on Facility B, together with certain costs and expenses of Lender; (ii) splitting the indebtedness evidenced by Facility B Note into (y) Third Substitute Promissory Note (Facility B) of even date herewith in the amount of \$18,000,000; and (z) Promissory Note (Facility C) of even date herewith in the amount of \$2,000,000; and (iii) advancing an additional \$3,000,000 pursuant to Promissory Note (Facility D) ("Facility D Note") of even date herewith, all as more particularly set forth in the Loan Agreement. All such documents, amendments, reaffirmations and other instruments entered into in connection with the Loan Agreement shall be referred to as the "**2013 Modification Documents**" as listed on **Exhibit D**.

O. As a condition to entering into the 2013 Modification Documents, Lender requires and Pledgor has agreed to reaffirm the obligations set forth in that certain Pledge and Security Agreement dated March 10, 2006 and executed by Pledgor, Baja Ventures 2006, LLC, a Delaware limited liability company, Diamante Properties, LLC, a Delaware limited liability company, CSL Properties 2006, LLC, a Delaware limited liability company, and KAJ Holdings, LLC, a Delaware limited liability company ("Original Pledge and Security Agreement") in the manner and form set forth below.

**NOW, THEREFORE**, in consideration of the foregoing, and to induce Lender to advance an additional \$3,000,000 pursuant to the Facility D Note and enter into the 2013 Modification Documents, Pledgor agrees as follows:

1. **Recitals.** The foregoing recitals are incorporated herein by reference.

2. **Consent.** Pledgor acknowledges that Pledgor has received, reviewed and approved the 2013 Modification Documents and such other instruments and documents as Pledgor may require to execute and deliver this Reaffirmation on an informed, knowledgeable basis. Pledgor consents to the execution and delivery of each and every 2013 Modification Document.

3. **Reaffirmation of Obligations.** Pledgor hereby reaffirms and ratifies the Original Pledge and Security Agreement and agrees that it, and the rights and obligations of the parties set forth therein, shall remain in full force and effect; provided, however, that all references in the Original Pledge and Security Agreement to the (i) Original Loan Agreement or any of the other Original Loan Documents shall be deemed to refer to such documents as modified by the 2009 Amended Loan Documents, as subsequently modified by the 2010 Amended Loan Documents, as subsequently modified by the Extension Agreements, as subsequently modified by the 2013 Additional Advance Agreement, as subsequently modified by the 2013 Modification Documents, and (ii) obligations in the Original Loan Agreement or any of the other Original Loan Documents shall be deemed to refer to the obligations set forth in such documents as modified by the 2009 Amended Loan Documents, as subsequently amended by the 2010 Amended Loan Documents, as subsequently modified by the Extension Agreements, as subsequently modified by the 2013 Additional Advance Agreement, and as subsequently modified by the 2013 Modification Documents.

4. **No Novation.** It is the intention of Pledgor that nothing herein shall be construed to extinguish, release, or discharge, create or effect a novation of, or an agreement to extinguish, any of the obligations, indebtedness and liabilities of Pledgor or any other party under the provisions of the Original Pledge and Security Agreement or under the Original Loan Documents.

5. **No Defenses.** Pledgor hereby ratifies and confirms that as of the date hereof there are no known defenses, setoffs or claims of any kind or nature whatsoever, whether asserted or unasserted, to the obligations of Pledgor.

6. **Successors and Assigns.** This Reaffirmation shall be binding upon Pledgor and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns.

7. **Notices.** All notices or other written communications to Lender or Pledgor in connection with the Original Pledge and Security Agreement, if any, shall be addressed as set forth in the Loan Agreement.

8. **Governing Law.** This Reaffirmation shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to its conflict of law principles.

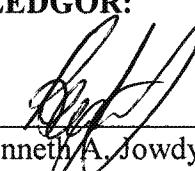
9. **Section Headings.** The section headings used in this Reaffirmation are for convenience of reference only and do not constitute a part of this Reaffirmation for any other purpose.

*[Signature Page to Follow]*

[Signature Page to Reaffirmation of Pledge and Security Agreement]

**IN WITNESS WHEREOF**, Pledgor has caused this Reaffirmation of Pledge and Security Agreement to be duly executed and delivered to Lender as of the date first set forth above.

**PLEDGOR:**

  
Kenneth A. Jowdy, an individual

**EXHIBIT A**  
**Original Loan Documents**

(All dated as of March 10, 2006)

1. Loan Agreement by and between Borrower and Lehman
2. Letter Agreement dated May 23, 2006 between Lehman and Borrower modifying the Original Loan Agreement
3. Promissory Note in the principal amount of \$125,000,000 by Borrower in favor of Lehman
4. Irrevocable Guarantee Trust Agreement by Borrower in favor of Lehman
5. Deed No. 65,011 (evidencing the conveyance of the Property to the Trust)
6. Assignment of Leases and Rents by Borrower to Lehman
7. Completion Guaranty by Kenneth Jowdy in favor of Lehman
8. Recourse Guaranty by Kenneth Jowdy in favor of Lehman
9. Payment Guaranty by Diamante Cabo San Lucas, Kenneth Jowdy, Diamante Properties LLC, Baja Ventures 2006, LLC, CSL Properties 2006, LLC and KAJ Holdings, LLC in favor of Lehman
10. Pledge Agreement (Assets) by Borrower in favor of Lehman
11. Pledge Agreement (Membership Interests in Borrower: US) by Diamante Cabo San Lucas and Kenneth Jowdy in favor of Lehman
12. UCC-1 Financing Statements (Delaware and Nevada) with respect to Item 11 above
13. Pledge Agreement (Membership Interests in Borrower: Mexico) by Diamante Cabo San Lucas and Kenneth Jowdy in favor of Lehman
14. Pledge Agreement (Membership Interests in Diamante Cabo San Lucas) by Diamante Properties LLC, Baja Ventures 2006, LLC, CSL Properties 2006, LLC and KAJ Holdings, LLC and Kenneth Jowdy in favor of Lehman

15. UCC-1 Financing Statements (Delaware and Nevada) with respect to Item 14 above
16. Environmental Indemnity Agreement by Borrower and Kenneth Jowdy in favor of Lehman
17. Omnibus Assignment by Borrower to Lehman

**EXHIBIT B**  
**2009 Amended Loan Documents**

1. Amended and Restated Loan Agreement (Budget attached as Exhibit A)
2. Spanish Translation of Amended and Restated Loan Agreement
3. Note Splitter and Modification Agreement
4. Substitute Promissory Note (Facility A) - \$109,138,327.83
5. Substitute Promissory Note (Facility B) - \$16,000,000.00
6. Amended and Restated Irrevocable Guaranty Trust Agreement (Mexican Law)
7. English Translation of Amended and Restated Irrevocable Guaranty Trust Agreement
8. Reaffirmation of Payment Guaranty
9. Reaffirmation of Completion Guaranty
10. Reaffirmation of Recourse Guaranty
11. Reaffirmation of Pledge and Security Agreement (Membership Interests in Borrower)
12. Reaffirmation of Pledge and Security Agreement (Membership Interests in Diamante Member)
13. Reaffirmation of Environmental Indemnity Agreement
14. Reaffirmation of Omnibus Assignment
15. Reaffirmation of Assignment of Leases and Rents
16. Waiver of Claims and Release Agreement
17. Pledge and Security Agreement of PF Ventures, LLC (Membership Interests in Diamante Member)
18. UCC-1 Financing Statements (Debtors: PF Ventures, LLC (Connecticut) and David Boyden (Utah))
  - A. PF Ventures – filed with the Connecticut Secretary of State as File Number 2683094

- B. Boyden – filed with the Utah Department of Commerce as File Number 359857200902
- 19. UCC-3 Financing Statement Amendments (assigning UCC interests from Lehman Brothers Holdings Inc. to Lender)
  - A. Jowdy - filed with the Nevada Secretary of State (with respect to original financing statement 2006007960-5)
  - B. Jowdy - filed with the Nevada Secretary of State (with respect to original financing statement 2006007961-7)
  - C. Diamante Member - filed with the Delaware Secretary of State (with respect to original financing statement 60840082)
  - D. Diamante Properties - filed with the Delaware Secretary of State (with respect to original financing statement 60839803)
  - E. Baja - filed with the Delaware Secretary of State (with respect to original financing statement 60839738)
  - F. CSL - filed with the Delaware Secretary of State (with respect to original financing statement 60839902)
  - G. KAJ - filed with the Delaware Secretary of State (with respect to original financing statement 60839977)
- 20. UCC-3 Financing Statement Amendments (correcting debtor information and organizational identification numbers for the following debtors)
  - A. Diamante Member - filed with the Delaware Secretary of State (with respect to original financing statement 60840082)
  - B. Diamante Properties - filed with the Delaware Secretary of State (with respect to original financing statement 60839803)
  - C. Baja - filed with the Delaware Secretary of State (with respect to original financing statement 60839738)
  - D. CSL - filed with the Delaware Secretary of State (with respect to original financing statement 60839902)
  - E. KAJ - filed with the Delaware Secretary of State (with respect to original financing statement 60839977)
- 21. Amendment to Pledge Agreement (Partnership Interests in Borrower) (Mexican Law)
- 22. Notice of Assignment of Bank Accounts in Favor of Trustee (Mexican Law)
- 23. Notice of Assignment of (Performance) Bond in Favor of Trustee (Mexican Law)

24. Notice of Assignment of (Construction and Service) Agreements in Favor of Trustee (Mexican Law)

**EXHIBIT C**  
**2010 Amended Loan Documents**

1. First Amendment to Amended and Restated Loan Agreement and Modification Agreement (Budget attached as Exhibit A)
2. Spanish Translation of Amended First Amendment to Amended and Restated Loan Agreement and Modification Agreement
3. First Amendment to Substitute Promissory Note (Facility B) - \$20,000,000.00
4. Confirmation of Payment Guaranty
5. Confirmation of Completion Guaranty
6. Confirmation of Recourse Guaranty
7. Confirmation of Pledge and Security Agreement (Membership Interests in Borrower)
8. Confirmation of Pledge and Security Agreement (Membership Interests in Diamante Member)
9. Confirmation of Environmental Indemnity Agreement
10. Confirmation of Omnibus Assignment
11. Confirmation of Assignment of Leases and Rents
12. Annotation to Trust

**EXHIBIT D**  
**2013 Modification Documents**

1. Second Amended and Restated Loan Agreement by and between Borrower, Borrower Parties, and Lender.
2. Second Amendment to Irrevocable Guaranty Trust Agreement (Spanish and English)
3. Note Splitter and Modification Agreement between Borrower, Kenneth A. Jowdy, Diamante Member, and Lender.
4. Second Substitute Promissory Note (Facility A) - \$123,500,000.00
5. Third Substitute Promissory Note (Facility B) - \$18,000,000.00
6. Promissory Note (Facility C) - \$2,000,000.00
7. Promissory Note (Facility D) - \$3,000,000.00
8. Pledgor in Possession Pledge (Mexico Law)
9. Acknowledgement of Debt (Mexico Law)
10. Termination of Assignment of Leases and Rents (US Law)
11. Termination of U.S. Pledge and Security Agreement (Membership Interests in Borrower)
12. Reaffirmation of Completion Guaranty
13. Reaffirmation of Recourse Guaranty
14. Reaffirmation of Payment Guaranty
15. Reaffirmation of Pledge Agreement (Membership Interests in Diamante Member)
16. Reaffirmation of Environmental Indemnity Agreement
17. Reaffirmation of Omnibus Assignment
18. Reaffirmation of Pledge and Security Agreement of PF Ventures, LLC (Membership Interests in Diamante Member)
19. Payment Guaranty by Diamante Club, LLC, Jowdy, and Diamante Member
20. Pledge and Security Agreement by Jowdy and Diamante Member (Membership Interests in Diamante Club, LLC)

21. Payment Guaranty by Diamante CSL, LLC, Jowdy, and Diamante Member
22. Pledge and Security Agreement by Jowdy and Diamante Member (Membership Interests in Diamante CSL, LLC)
23. UCC-1 Financing Statements (Debtor: Diamante Member) covering interests in Diamante Club, LLC and Diamante CSL, LLC
24. UCC-1 Financing Statements (Debtor: Kenneth A. Jowdy) covering interests in Diamante Club, LLC and Diamante CSL, LLC
25. UCC-3 Amendments
26. Deposit Account Control Agreement for Wells Fargo Income Account
27. Mandate Agreements for four (4) Banorte Income and Operating Accounts